

## NEBRASKA ADMINISTRATIVE CODE

### TITLE 131 – NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY

#### Chapter 11 – GENERAL REQUIREMENTS FOR ELIGIBLE FINANCIAL INSTITUTIONS FOR THE LINKED DEPOSIT PROGRAM

001 Eligible financial institutions. To become an eligible financial institution to participate in the Linked Deposit Program, financial institutions and the Director must sign a Linked Deposit Lender Agreement.

002 Linked Deposit Lender Agreement will include, but not be limited to, the following:

002.01 Conditions to ensure compliance with all federal, state, and local requirements.

002.02 Specific conditions, terms, and limits for eligible financial institutions and Linked Deposit Loan Contracts, as determined by the Department.

002.03 Interest rate applied to linked deposit account. The Department may apply an annual interest rate to funds deposited into the linked deposit account.

002.04 The procedure for eligible financial institutions to obtain Department approval of project eligibility for the Linked Deposit Program.

003 Eligible financial institutions' responsibilities shall include, but not be limited to:

003.01 Evaluating linked deposit loan borrowers' financial capability. Eligible financial institutions will have the authority to approve or deny a linked deposit borrower's loan application.

003.02 Establishing a Linked Deposit Loan Contract with the linked deposit borrower.

003.03 Collecting repayment from linked deposit borrowers and any additional terms and conditions set in the Linked Deposit Loan Contract.

003.04 Confirming availability of linked deposit funds as described in the Linked Deposit Lender Agreement.

003.05 Submitting to the Department required documentation in accordance with the Linked Deposit Lender Agreement.

003.06 All other responsibilities as stated in the Linked Deposit Lender Agreement.

004 Linked Deposit Loan Contracts must include the following:

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004.01 The interest rate for the linked deposit loan will be fixed and must be at an interest rate lower than the eligible financial institution's interest rate for a similar project.

004.02 The length of term for the linked deposit loan.

004.03 Conditions allowing the Department, and any authorized representative of the Department, access to the project at all reasonable times for such purposes as inspection, monitoring, and oversight of building, operation, rehabilitation, and replacement activities.

004.04 Conditions as are necessary to ensure compliance with all federal, state, and local requirements.

004.05 Conditions stating linked deposit borrowers shall be responsible for and will provide regular system maintenance and monitoring of the project for the life of the loan.

004.06 Other conditions as determined by the Linked Deposit Lender Agreement.

005 Linked deposit funds will be deposited into a linked deposit account with an eligible financial institution only after the following requirements have been met:

005.01 The Department has approved the initial project eligibility.

005.02 The project is in compliance with all federal, state, and local requirements.

005.03 The eligible financial institution has submitted all required documentation in accordance with the Linked Deposit Lender Agreement to the Department.

006 The Department will withdraw funds from the linked deposit account in accordance with the terms set in the Linked Deposit Lender Agreement.

007 Full repayment of a loan by linked deposit borrower. If a linked deposit loan is fully repaid, the eligible financial institution will notify the Department within thirty days from when the loan was fully repaid. The Department may withdraw the remaining linked deposit balance, including any interest which is due and payable, within sixty days from when the linked deposit loan was fully repaid.

008 Loss of property control by borrower. In the event that the linked deposit borrower no longer has legal control over the land for the nonpoint source control system project or activity during the term period specified in the Linked Deposit Loan Contract, the eligible financial institution will notify the Department within thirty days from the eligible financial institution's discovery of the loss of property control. The Department may withdraw the remaining linked deposit balance, including any interest which is due and payable, within sixty days from the eligible financial institution's discovery of the loss of property control.

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009 Noncompliance. For substantial non-compliance with terms and conditions of the Linked Deposit Lender Agreement, Linked Deposit Loan Contract, or the Linked Deposit Program by the eligible financial institution or linked deposit borrower, the Department may withdraw the remaining linked deposit balance, including any interest which is due and payable, within thirty days from the Department's notice of noncompliance.

009.01 Before any action is taken under 009 of this chapter, the Department may give thirty days written notice of the Department's intent to the eligible financial institution. The eligible financial institution shall have such time as indicated in the written notice to comply. If compliance is achieved, the eligible financial institution or the borrower shall revert to good standing.

010 Linked deposit borrower default. If a linked deposit borrower defaults on a linked deposit loan, the eligible financial institution will be responsible for the Linked Deposit Lender Agreement and all agreed upon scheduled withdrawals and interest as specified in the Linked Deposit Lender Agreement.

011 Selling of linked deposit loans. The eligible financial institution must not sell the linked deposit loan to another financial institution or entity without the approval of the Department.

Enabling Legislation: Neb. Rev. Stat. §81-15,148; §81-15-149; §§81-15,151 to 81-15,153

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